

HAINES LAW GROUP, APC

Paul K. Haines (SBN 248226)
phaines@haineslawgroup.com
Fletcher W. Schmidt (SBN 286462)
fschmidt@haineslawgroup.com
Matthew K. Moen (SBN 305956)
mmoen@haineslawgroup.com
2155 Campus Drive, Suite 180
El Segundo, California 90245
Tel: (424) 292-2350
Fax: (424) 292-2355

Attorneys for Plaintiff KEVIN MURPHY

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

KEVIN MURPHY, individually and
on behalf of all other Aggrieved
Employees,

Plaintiff,

vs.

FUSION LEARNING, INC., a
Delaware Corporation; and DOES 1
through 50, inclusive,

Defendants.

Case No. 2:21-cv-06732-JAK-AS
Related Case No.: 2:22-cv-04497-JAK-AS

*[Assigned to Hon. Judge John A.
Kronstadt]*

**DECLARATION OF MATTHEW K.
MOEN IN SUPPORT OF
PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT**

Date: December 11, 2023
Time: 8:30 a.m.
Place: First Street Courthouse,
350 W. First Street
Courtroom 10B
Los Angeles, CA 90012

Complaint Filed: July 8, 2021
Trial Date: None Set
District Judge: Hon. John A. Kronstadt
Magistrate Judge: Hon. Alka Sagar

1 **DECLARATION OF MATTHEW K. MOEN**

2 I, MATTHEW K. MOEN, declare as follows:

3 1. I am a Senior Associate with Haines Law Group, APC, and counsel
4 for Plaintiffs Kevin Murphy, Gabriel Schwartz, Marc Brewer, and Garrison
5 Moreno (“Plaintiffs”) in the above-captioned matter. I am a member in good
6 standing of the bar of the State of California and am admitted to practice in this
7 Court. I have personal knowledge of the facts stated in this declaration and could
8 testify competently to them if called upon to do so.

9 2. I received a Bachelor of Arts degree from UCLA in 2011, and a Juris
10 Doctor from Loyola Law School, Los Angeles, in 2015. Both before and during
11 law school, I worked for the law firm of Prindle, Amaro, Goetz, Hillyard, Barnes
12 & Reinholtz LLP (now known as Prindle, Goetz, Barnes & Reinholtz LLP),
13 located in Long Beach, California. Both before and during law school, I also
14 worked for Jill McBride Baxter, Certified Sports Agent and Sports Law Attorney.

15 3. From January 2016 to December 2017, I worked as an associate at
16 Baltodano & Baltodano LLP, a law firm dedicated exclusively to the practice of
17 Plaintiff-side employment law located in San Luis Obispo, California. After the
18 founding partner and senior litigation partner at Baltodano & Baltodano LLP,
19 Justice Hernaldo J. Baltodano, was appointed to the California judiciary in
20 December 2017, the firm dissolved on December 31, 2017. Since January 1, 2018,
21 I have worked as an associate at my current firm, Haines Law Group, APC.

22 4. During my time with both Baltodano & Baltodano LLP and Haines
23 Law Group, APC, my practice has been solely devoted to litigating plaintiff-side
24 employment related cases in both state and federal court, including wage and hour
25 class actions arising under the California Labor Code and the Fair Labor
26 Standards Act. I am currently staffed on over thirty (30) active wage and hour
27 class actions in which I am integrally involved in all aspects of the litigation. I
28

1 also supervise the work of several junior attorneys staffed on the same wage and
2 hour class actions.

3 5. The following is a non-exhaustive list of the recent wage and hour
4 class actions (that have been granted final approval) in which I have been named
5 as Class Counsel: *Morales v. Ball Horticultural Co.*, Case No. 16CV-0488, San
6 Luis Obispo County Superior Court, Honorable Linda D. Hurst, presiding
7 (approving an hourly rate of \$375 for work performed in 2017 and 2018);
8 *Ruvalcaba Quiroz v. Circle M Contractors, Inc.*, Case No. 30-2016-00885065-
9 CU-OE-CXC, Orange County Superior Court, Honorable William D. Claster,
10 presiding; *Armenta, et al., v. California Friends Homes d/b/a Quaker Gardens*,
11 Case No. 30-2016-00883282-CU-OE-CXC, Orange County Superior Court,
12 Honorable Randall J. Sherman, presiding; *Willie Daniel Myers, Jr. v. Jerome's*
13 *Furniture Warehouse*, Case No. CIVDS 1715069, San Bernardino County
14 Superior Court, Honorable Janet M. Frangie, presiding (approving an hourly rate
15 of \$375 for work performed in 2018 and 2019); *Tina Arellano v. Williams Sonoma*
16 *Stores, Inc.*, Case No. BC693760, Los Angeles County Superior Court, Honorable
17 Daniel J. Buckley, presiding (approving an hourly rate of \$375 for work
18 performed in 2018 and 2019); *William Cuellar v. UMA Enterprises, Inc.*, Case
19 No. BC657146, Los Angeles County Superior Court, Honorable Maren E. Nelson,
20 presiding (approving an hourly rate of \$375 for work performed in 2018 and
21 2019); *Arturo Delgado v. Spears Manufacturing Co.*, Case No. BC709665, Los
22 Angeles County Superior Court, Honorable Maren E. Nelson, presiding
23 (approving an hourly rate of \$400 for work performed in 2018, 2019, and 2020);
24 *Abbygail Hernandez v. WirelessPCS CA, LLC*, Case No. BC721326, Los Angeles
25 County Superior Court, Honorable Carolyn B. Kuhl, presiding; *Lucia Kang, et al.,*
26 *v. Extra Space Management, Inc.*, Case No. 30-2018-00997364-CU-OE-CXC,
27 Orange County Superior Court, Honorable William Claster, presiding (approving
28 an hourly rate of \$400 for work performed in 2018, 2019, and 2020); *Fishback v.*

1 *Paragon Framing, Inc.*, Case No. CIVDS1906610, San Bernardino County
2 Superior Court, Honorable David Cohn, presiding (approving an hourly rate of
3 \$400 for work performed in 2019 and 2020); *Francisco Garcia v. Searing*
4 *Industries, Inc.*, Case No. CIVDS1932477, San Bernardino County Superior Court,
5 Honorable David Cohn, presiding (approving an hourly rate of \$400 for work
6 performed in 2019 and 2020); *David Hasler, et al. v. Anheuser-Busch, LLC*, Case
7 No. 19STCV00802, Los Angeles County Superior Court, Honorable Daniel J.
8 Buckley, presiding; *Angel Ochoa v. Fonseca Construction, Inc.*, Case No.
9 CIVDS1928625, San Bernardino County Superior Court, Honorable David Cohn,
10 presiding (approving an hourly rate of \$400 for work performed in 2019 to 2021);
11 *William Chang v. Avcorp Composite Fabrication, Inc.*, Case No. BC715159, Los
12 Angeles County Superior Court, Honorable Amy D. Hogue, presiding (approving
13 an hourly rate of \$400 for work performed in 2018 to 2021); *David Alvarado, et al.*
14 *v. J.G. Boswell Company*, Case No. 19STCV19033, Los Angeles County Superior
15 Court, Honorable Daniel J. Buckley, presiding (approving an hourly rate of \$400
16 for work performed in 2019 to 2021); *Gaudencio Arroyo Reynoso, et al. v. Cream*
17 *of the Crop Ag Service, Inc.*, Case No. VCU278847, Tulare County Superior
18 Court, Honorable Bret D. Hillman, presiding (approving an hourly rate of \$425
19 for work performed in 2019 to 2022); *Santos Orellana v. Smarte Carte, Inc.*, Case
20 No. 20STCV08890, Los Angeles County Superior Court, Honorable Yvette M.
21 Palazuelos, presiding (approving an hourly rate of \$475 for work performed in
22 2020-2022); *Santiago Gutierrez v. M.M.C.L., Inc. dba California Landcare*, Case
23 No. 30-2021-01182371-CU-OE-CXC, Honorable Randall J. Sherman, presiding
24 (approving an hourly rate of \$575 for work performed in 2021-2023); and *Robert*
25 *Lewis v. IMERYS Filtration Minerals, Inc., et al.*, Case No. 22CV02874, Santa
26 Barbara County Superior Court, Honorable Jed Beebe, presiding (approving an
27 hourly rate of \$575 for work performed in 2021-2023).

28 ///

1 6. I have also moved to certify, and have received an order certifying, a
2 class action as Class Counsel in the following cases:

- 3 • *Staublein v. Wells Fargo Bank, National Association*, Case No.
4 CIVDS1712267, San Bernardino Superior Court, Honorable David Cohn,
5 presiding (certifying a wage statement class);
- 6 • *George Gomez v. The Bedrock Company*, Case No. CIVDS1824255, San
7 Bernardino County Superior Court, Honorable David Cohn, presiding
8 (certifying claims for unpaid overtime and minimum wage violations, meal
9 period violations, rest period violations, wage statement violations, and
10 waiting time penalties); and
- 11 • *Aurora Gatica v. Valley Ag, Inc. et al.*, Case No. 19CECG03018, Fresno
12 County Superior Court, Honorable Tyler D. Tharpe, presiding (certifying
13 claims for meal period violations, unpaid rest period violations, wage
14 statement violations, and waiting time penalties).

15 7. In every year from 2020 to 2023, Thomson Reuters and Los Angeles
16 Magazine recognized me as a Top Young Attorney in Southern California in the
17 annual Rising Star Edition of Super Lawyers. This is an honor awarded to no
18 more than two-and-a-half percent (2.5%) of attorneys under the age of forty in
19 Southern California each year.

20 8. On December 13, 2022, I filed a Notice of Appearance of Counsel in
21 this matter [Dkt. No. 32]. As counsel for Plaintiffs, I have been closely involved
22 in all aspects of this litigation since my firm was retained by Plaintiffs, and I
23 believe that the proposed Class Action and PAGA Settlement Agreement and
24 Class Notice (“Settlement Agreement” or “Settlement”) is a fair and reasonable
25 result for the Settlement Class Members.

26 9. Defendant Fusion Learning, Inc. is a licensed private, alternative
27 school for students in grades 6-12. Defendant Danielle Ryckman is Fusion’s
28

former Head of School. (Defendants Fusion Learning, Inc. and Danielle Ryckman are referred to collectively herein as “Defendants”).

10. On July 8, 2021, Plaintiff Murphy filed a Representative Action Complaint, alleging a single cause of action for civil penalties under PAGA, which was removed to federal court on August 19, 2021. On April 14, 2022, the parties attended a private mediation, which ultimately proved unsuccessful. Thereafter, on April 14, 2022, Plaintiff Murphy filed a separate class action lawsuit against Defendants, Case No. 2:22-cv-04497-JAK-AS, asserting the same theories of liability on a class-wide basis. Defendants removed Plaintiff Murphy’s class action complaint to federal court on June 30, 2022.

11. On March 22, 2023, the parties attended a Settlement Conference before Magistrate Judge Maria A. Audero. Again, the parties were unable to resolve the matter. Following the Settlement Conference, Defendants produced additional policy-related documents, and Plaintiffs’ counsel took the deposition of Defendants’ Rule 30(b)(6) corporate witness. On May 30, 2023, the parties attended a full-day mediation with Mark S. Rudy, Esq., whose mediator’s proposal was ultimately accepted by the parties.

12. As a material term of the Settlement, the parties have agreed to file a joint stipulation for leave to file a consolidated FAC, consolidating all PAGA claims alleged in the instant action [Dkt. No. 1-1] and all class action claims alleged in the related action, Case No. 2:22-cv-04497-JAK-AS, as well as naming Defendant Danielle Ryckman as a named defendant and adding Gabriel Schwartz, Marc Brewer, and Garrison Moreno as named plaintiffs in this action. Upon filing of the FAC, Plaintiffs will immediately provide a copy of the operative complaint to the LWDA, as required by Labor Code section 2699(l)(1).

13. Plaintiffs allege that Defendants failed to record all time worked by Plaintiffs and the Settlement Class Members and failed to accurately compensate them for all time for which they were subject to the employer’s control, resulting

1 in unpaid minimum and overtime wages. Specifically, teachers are scheduled to
2 work one-on-one instruction sessions with their students, usually in 50-minute
3 sessions, with additional time budgeted for preparing for the session. However,
4 Defendants do not maintain a policy or practice for recording the actual time
5 worked by their employees. Instead, employees were paid for presumed hours
6 based on their class schedules and budgeted prep time, which frequently failed to
7 account for all time for which employees were performing work in order to
8 complete their essential job duties. This unlawful practice/policy resulted in
9 employees performing uncompensated work before the start time for their shifts,
10 after the end times of their shifts, from home at nights and on weekends, through
11 purported rest periods or scheduled meal periods, and during periods of time
12 throughout the day for which they were not otherwise scheduled to conduct
13 classes with students.

14 14. Plaintiffs also allege that Defendants failed to provide all duty-free,
15 uninterrupted 30-minute meal periods. For a portion of the relevant time period,
16 Plaintiffs allege that Defendants maintained a facially unlawful written meal
17 period policy that failed to provide for second meal periods, and was silent as to
18 the timing of first meal periods. Further, the immense workload required of
19 Plaintiffs and the Settlement Class Members resulted in employees regularly
20 performing work during their scheduled meal periods.

21 15. Plaintiffs further allege that Defendants failed to authorize and permit
22 all legally-complaint rest periods during the relevant time period. Specifically,
23 Defendants maintained a facially unlawful rest period policy that fails to
24 incorporate the “major fraction thereof” language of the Wage Order, and an
25 attendance policy that prohibits employees from leaving the company premises.
26 Further, employees were unable to take rest periods during the workday due to the
27 work requirements set by Defendants, which required employees to work through
28 purported rest periods.

1 16. Plaintiffs also allege that Defendants required Plaintiffs and the
2 Settlement Class Members to incur personal cell phone expenses for work
3 purposes, but failed to reimburse employees for these necessary business expenses.
4 Based on these predicate violations, Plaintiffs seek derivative wage statement
5 penalties under Labor Code § 226, waiting time penalties under Labor Code §§
6 201-203, and civil penalties under PAGA.

7 17. Defendants deny Plaintiffs' allegations and maintain that none of
8 Plaintiffs' claims are suitable for class certification. Defendants assert that they
9 properly recorded and paid for all hours worked at all times during the relevant
10 time period, and that Plaintiffs' theory of off-the-clock liability would present
11 individualized inquiries that would preclude class certification of any such class.
12 Defendants assert that employees are paid for all student sessions, even in
13 scenarios where a student fails to show up for a scheduled class, such that there
14 are instances when employees are paid for time during which they were not
15 required to perform any work. Furthermore, with regard to prep time, Defendants
16 maintain that there was a simple process in place for teachers to request and be
17 granted additional prep time, and that Plaintiffs themselves had requested and
18 been approved for additional prep time beyond the standard budget. Moreover,
19 Defendants assert that they maintained lawful written timekeeping policies that
20 required employees to accurately track all time for which they were performing
21 work and to report such time to Defendants for payroll purposes.

22 18. As to Plaintiffs' claims for meal and rest period violations,
23 Defendants argue that they maintained lawful meal and rest period practices at all
24 times. Further, Defendants argue that they schedule employee meal periods to
25 ensure that all lawful meal periods are provided, and pay meal period premiums
26 pursuant to Labor Code § 226.7 in the event a lawful meal period is not taken.
27 Defendants also assert that employees have at all times been permitted to leave the
28 company premises during rest periods, and argue that the attendance policy

1 Plaintiffs rely upon only applies when employees are teaching classes, not when
2 they are taking duty-free rest periods. Defendants produced policies encouraging
3 employees to “take a walk” in between student sessions which they argued was
4 inconsistent with the idea that employees were confined to work premises. Further,
5 Defendants assert that Plaintiffs’ rest period claim is unmanageable and not suited
6 for class certification, as it requires individualized inquiries into whether each
7 employee was authorized and permitted to take a lawful rest period, and on which
8 days, which Defendants argue Plaintiffs will be unable to substantiate with any
9 common evidence, as rest periods are not required to be recorded, resulting in an
10 unmanageable series of mini-trials.

11 19. As to Plaintiffs’ claim for unreimbursed expenses, Defendants assert
12 that this claim will fail on its merits, as Defendants never required employees to
13 use their personal cell phones for work purposes. In fact, Defendants contend,
14 employee work computers have both telephone and zoom capabilities, obviating
15 the need for employees to ever use their personal cell phones to contact students
16 or parents for work purposes.

17 20. As to Plaintiffs’ derivative claims, Defendants argue that Plaintiffs’
18 underlying claims will fail and, as a result, the derivative wage statement, waiting
19 time, and PAGA claims will also fail. Defendants also maintain that Plaintiffs
20 cannot show that the wage statement violations were “knowing and intentional,”
21 or that the putative class members “suffer[ed] injury” as a result of the alleged
22 violations, as required by Labor Code § 226(e) for the imposition of wage
23 statement penalties. Moreover, Defendants maintain that their good faith defenses
24 to Plaintiffs’ underlying claims would preclude the recovery of waiting time
25 penalties, which are only available for the “willful” failure to pay wages, and that
26 this Court would exercise its discretion to substantially reduce any PAGA
27 penalties awarded.

28 ///

1 21. Prior to attending mediation, Defendants provided Plaintiffs with
2 electronic timekeeping and payroll records for a 15% sampling of the Settlement
3 Class Members spanning the entire relevant time period (which was then
4 extrapolated to cover the entire Settlement Class), as well as key policy
5 documents, employee handbooks, and key data points. Plaintiffs retained an
6 expert with a Ph.D. in economics to analyze the produced data and create a class-
7 wide exposure model for the claims at issue. On April 14, 2022, the parties
8 attended a private mediation, which ultimately proved unsuccessful. On March 22,
9 2023, the parties attended a Settlement Conference before Magistrate Judge Maria
10 A. Audero, but again were unable to resolve the matter. Thereafter, on May 26,
11 2023, Plaintiffs took the deposition of Defendants' Rule 30(b)(6) corporate
12 witness. On May 30, 2023, the parties attended mediation with Mark S. Rudy,
13 Esq., during which the parties exchanged divergent views on Defendants' liability
14 and exposure valuations, their legal positions, and the likelihood of certification of
15 Plaintiffs' claims. At the conclusion of mediation, Mr. Rudy made a mediator's
16 proposal that the parties ultimately accepted. Over the following months, the
17 parties finalized the terms of the proposed Settlement now before the Court for
18 preliminary approval.

19 22. Attached hereto as **Exhibit 1** is a true and correct copy of the parties'
20 fully-executed Settlement Agreement. The proposed Class Notice is attached as
21 Exhibit A to the Settlement Agreement.

22 23. Because the proposed Settlement includes settlement of Plaintiffs'
23 representative PAGA claim, concurrently with the filing of this motion, Plaintiffs
24 provided notice of the proposed Settlement, including copies of the Settlement
25 Agreement and Motion for Preliminary Approval and all papers filed in support
26 hereof, to the LWDA. Attached hereto as **Exhibit 2** are true and correct copies of
27 Plaintiffs' Settlement submission and the LWDA's confirmation of receipt.

28 ///

1 24. Plaintiffs' Counsel carefully vetted the claims at issue, reviewed
2 Settlement Class Member data spanning the entire relevant time period and all
3 relevant policy documents, and created a comprehensive damages model for
4 Defendants' liability.

5 25. Although the parties engaged in some formal discovery, including
6 taking the deposition of Defendants' Rule 30(b)(6) corporate witness, as well as
7 substantial informal discovery and information exchange prior to mediation, the
8 parties had not yet completed formal written or deposition discovery. Moreover,
9 Plaintiffs has not yet filed for class certification, and thus, preparation for class
10 certification and a trial remained for the parties as well as the prospect of appeals
11 in the wake of a disputed class certification ruling for Plaintiffs and/or adverse
12 summary judgment ruling. Even if Plaintiffs succeeded in certifying one or more
13 classes, the parties would incur considerably more attorneys' fees and costs
14 through a possible decertification motion, trial, and possible appeal.

15 26. At the time of the proposed Settlement, Plaintiffs had not filed a
16 motion for class certification. Had the Court certified any claims, Plaintiffs
17 anticipated that Defendants would seek decertification. There was also a risk that
18 Defendants would engage in a campaign pursuant to *Chindarah v. Pick Up Stix,*
19 *Inc.*, (2009) 171 Cal.App.4th 796, that could either affect Plaintiffs' ability to
20 maintain the numerosity required to proceed as a class action, or significantly
21 reduce the size of the putative class for a fraction of what Settlement Class
22 Members are receiving through this Settlement. Therefore, absent the Settlement,
23 there was a serious risk that Plaintiffs would be unable to move forward on a
24 class-wide basis.

25 27. Plaintiffs' data analysis determined that Settlement Class Members
26 worked an aggregate total of 338,014 shifts during the relevant portion of the
27 Class Period in which Plaintiffs allege Defendants maintained unlawful
28 timekeeping policies/practices that resulted in off-the-clock wage violations.

1 Plaintiffs reasonably estimate that Settlement Class Members were required to
2 spend an average of approximately 25 minutes per workweek performing off-the-
3 clock work prior to or after the conclusion of the employee's workday.
4 Accordingly, Plaintiffs calculated Defendants' maximum potential exposure for
5 off-the-clock wage violations at approximately \$1,193,184 (67,602 workweeks *
6 25 minutes per week * \$29.34 average rate of pay).

7 28. Defendants, however, maintain that they properly recorded and paid
8 Settlement Class Members for all time worked during the Class Period, and argue
9 that its written policies mandate that Plaintiffs and other non-exempt employees
10 track all time for which they are performing work, including in situations where
11 the budgeted prep time was insufficient and the employee needed additional prep
12 time which could be requested and approved. Defendants also assert this claim is
13 not suitable for class certification, as it requires individualized inquiries into
14 whether or not each individual employee was off-the-clock performing work on
15 any given day—which is time inherently not recorded—and whether Defendants
16 knew or should have known about the off-the-clock work, resulting in an
17 unmanageable series of mini-trials. Plaintiffs discounted the maximum exposure
18 by 55% for the risk of non-certification, and by an additional 40% for risk of
19 losing on the merits, for an estimated exposure of \$332,160.

20 29. Plaintiffs' data analysis determined that Settlement Class Members
21 worked an aggregate total of 22,679 shifts in excess of 5.0 hours during the Class
22 Period that contained a facially unlawful first or second meal period, whether by
23 being missed, late and/or short, for which Plaintiffs' expert concluded no meal
24 period premiums were paid. Accordingly, Plaintiffs calculated Defendants'
25 liability on this claim at \$665,401 (22,679 meal period violations * \$29.34
26 average premium).

27 30. Defendants assert, however, that they maintained a lawful meal
28 period policy/practice at all times during the Class Period and that any failure by

1 an employee to take a lawful meal period was the result of employee choice rather
2 than company policy, requiring individual inquiries into the reasons why each
3 non-compliant meal period was untimely or missed on any given day. Defendants
4 further asserts that it paid meal period premium payments at all times during the
5 relevant time period, and Plaintiffs' claim will therefore fail on its merits. Given
6 these defenses, Plaintiffs discounted the maximum exposure by 45% for the risk
7 of non-certification, and by an additional 55% for risk of losing on the merits, to
8 arrive at an estimated exposure of \$164,687.

9 31. Plaintiffs' expert's data analysis revealed that non-exempt employees
10 worked an aggregate total of 298,372 shifts in excess of 3.5 hours during the Class
11 Period. Plaintiffs assert that employees were required to work through purported
12 rest periods on approximately 40% of their work shifts. Accordingly, Plaintiffs
13 calculated Defendants' maximum potential exposure on this claim at \$3,501,670
14 (119,348 rest period violations * \$29.34 average premium).

15 32. But as noted above, Defendants argue it has always authorized and
16 permitted duty-free rest periods in accordance with California law, including
17 providing 10 minutes for every *hour*-long class session, and assert that employees
18 will testify that they were never prevented from leaving the work premises during
19 rest periods, nor were they ever instructed they could not. Further, Defendants
20 assert that this claim is not amenable to class certification given the individual
21 inquiries required to determine whether each employee experienced a rest period
22 violation on any given shift, particularly given that rest periods were not recorded.
23 Given these defenses, Plaintiffs discounted the maximum exposure by 75% for the
24 risk of non-certification, and by an additional 55% for risk of losing on the merits,
25 to arrive at an estimated exposure of \$393,938.

26 33. Prior to mediation, Plaintiffs analyzed JD Power and Consumer
27 Reports analyses of cell phone plans and average cell phone bills in America, and
28 determined that \$25 per month in expense reimbursements represents a reasonable

percentage of employees' cell phone bills, as required by *Cochran v. Schwan's Home Service, Inc.* (2014) 228 Cal.App.4th 1137. Therefore, Plaintiffs calculated Defendants' maximum potential exposure on this claim at \$392,475 (\$25 in monthly expenses * 15,699 work-months).

34. Defendants maintain that, at all relevant times, employees were never required to use their personal cell phones for work purposes. Further, Defendants assert that it provided employees with computer systems with both telephone and zoom capabilities, removing any need for employees to use their personal cell phones to begin with. As such, Defendants contend this claim is not certifiable since it would require a series of mini-trials to determine which employees incurred expenses, and whether those expenses were reasonable and necessary, including why the employee had not previously submitted an expense reimbursement request. Therefore, Plaintiffs discounted the maximum potential exposure by 40% for the risk of non-certification and 65% for the risk of being unsuccessful on the merits, to arrive at an estimated exposure of \$82,420.

35. Plaintiffs' expert's data analysis determined that approximately 232 Settlement Class Members are eligible for wage statement penalties, and a total of 6,136 wage statements were issued during the relevant period. Plaintiffs calculated Defendants' maximum possible wage statement exposure as approximately \$602,000 ((232 initial violations * \$50 per pay period) + (5,904 subsequent pay periods * \$100 per pay period)). However, Defendants raised numerous defenses, including that the alleged violations, if any, were not "knowing and intentional," and that Plaintiffs could not show that the Settlement Class Members "suffer[ed] injury" as a result of any alleged violations. Defendants further argued that Plaintiffs' underlying claims would fail, and, therefore, his wholly derivative wage statement claim—which attributes a wage statement penalty to each and every applicable wage statement, which Defendants assert results in a drastic overstatement of damages—would also fail. Therefore, Plaintiffs discounted the

1 maximum exposure by 45% for the risk of non-certification of the underlying
2 claims and 55% for a risk of being unsuccessful on the merits or overstating
3 damages, including failing to prove the violations were “knowing and
4 intentional,” that the Settlement Class members “suffer[ed] injury,” for an
5 estimated recovery of \$148,995.

6 36. Plaintiffs’ expert’s data analysis determined that approximately 392
7 Settlement Class Members separated their employment during the relevant period
8 applicable to this claim. Plaintiffs therefore calculated Defendants’ maximum
9 exposure of \$2,760,307 (392 former employees * average waiting time penalty of
10 \$7,041.60 (\$29.34 average hourly rate * 8 hours * 30 days)). Defendants maintain
11 that waiting time penalties are not appropriate because Plaintiffs’ claims fail on
12 the merits, and given their good-faith defenses, Plaintiffs cannot show that any
13 failure by Defendants to pay all final wages was willful. Plaintiffs discounted this
14 claim by 45% for the risk of non-certification and by an additional 60% for risk of
15 being unsuccessful on the merits or failing to establish willfulness, for an
16 estimated recovery of \$607,268.

17 37. Plaintiffs allege that PAGA civil penalties would be recoverable for
18 each pay period in which they could prove an underlying Labor Code violation.
19 According to Plaintiffs’ expert’s data analysis, the Settlement Class Members
20 worked a combined total of 13,509 pay periods during the PAGA Period in which
21 at least one of Plaintiffs’ alleged Labor Code violations occurred. Plaintiffs
22 therefore calculate Defendants’ maximum PAGA exposure at \$1,350,900 (13,509
23 pay periods * \$100 per violation). However, these penalties are exclusively
24 derivative of the underlying violations that Defendants vigorously disputes, both
25 as to certification and the merits. Plaintiffs also recognize that the Court has
26 discretion to substantially reduce any award of PAGA penalties. Therefore,
27 Plaintiffs discounted the maximum figure by 55% for the risk of losing on the
28

merits of the underlying claims and by 90% for risk of the Court reducing penalties, to arrive at an estimated exposure of \$60,791.

38. Using these estimated figures, Plaintiffs estimated that the potential reasonable recovery for the Settlement Class would be approximately \$1,780,257. Thus, the proposed recovery to the Settlement Class of \$1,250,000 represents approximately 70.21% of Plaintiffs' reasonably forecasted class-wide recovery, which is well within the range approved by courts as being fair, reasonable and adequate, while also avoiding further expense and risk of proceeding towards class certification and trial.

39. This proposed Settlement is entitled to an initial presumption of fairness as it is the result of the exchange of pertinent information, including all relevant policies, employee timekeeping and payroll records, and key data points which were analyzed by Plaintiffs and their retained expert; arm's-length negotiations by counsel; two mediations and a Settlement Conference, including mediation before an experienced and well respected wage and hour class action mediator who made a mediator's proposal; and additional negotiations until the terms of the long-form Settlement were agreed upon and finalized. The parties reached this settlement only after mediating with Mark S. Rudy, a well-respected mediator with extensive experience in mediating wage and hour class actions. The parties each supplied the mediator with detailed mediation briefs outlining their views of the strengths and weaknesses of each claim and defense. Plaintiffs' mediation brief included detailed calculations of the damages he would expect the class to be awarded were he to prevail on each claim. As noted, the parties mutually accepted the mediator's proposal which reflected what the mediator determined to be the settlement value of the case. Even after the parties had come to an initial agreement, both sides continued to negotiate the finer points of the proposed settlement during the following month while drafting the long-form settlement agreement.

1 40. If the Court preliminarily approves this Settlement, Defendants will
2 pay a non-reversionary Gross Settlement amount of \$1,250,000.00. This
3 Settlement is non-reversionary, and Settlement Class Members will automatically
4 receive their Individual Class Payment unless they affirmatively opt-out. After
5 deducting amounts for Court-approved Plaintiffs' service payments, costs of
6 settlement administration, Court-approved attorney's fees and costs, and the
7 PAGA payment, the settlement provides for an estimated Net Settlement Amount
8 of at least \$683,833.34. Further, the parties have agreed to designate \$50,000.00
9 of the Gross Settlement Amount as the PAGA Penalties. Plaintiffs represent that
10 this amount is appropriate given the size of the settlement and similar results in
11 other wage and hour class actions.

12 41. According to Defendants' records, there are approximately 1,280
13 putative Settlement Class Members. Based on the estimated Net Settlement
14 Amount, average Individual Class Payments are projected to be approximately
15 \$534.24.

16 42. At the time of seeking final settlement approval, Plaintiffs will apply
17 for Class Representative Service Payments in the amounts of \$10,000.00 to
18 Plaintiff Kevin Murphy and \$5,000 each to Plaintiffs Schwartz, Brewer, and
19 Moreno, for their service to the Settlement Class and general release of all claims.
20 Plaintiffs' requested class representative Service Payments are intended to
21 recognize the significant time and effort that Plaintiffs expended on behalf of the
22 Settlement Class, the significant risks Plaintiffs undertook by serving as the
23 named plaintiffs, and the fact that they are agreeing to a general release of all
24 claims subject to a waiver of Civil Code § 1542.

25 43. When seeking final settlement approval, proposed Class Counsel will
26 also file a separate motion for approval of verified costs (not to exceed \$60,000)
27 and attorney's fees not to exceed one-third of the Gross Settlement Amount for all
28 past and future attorney's fees necessary to prosecute, settle and administer the

litigation and this proposed Settlement. Plaintiffs submit that the requested fee is fair compensation for undertaking complex, risky, expensive, and time-consuming litigation on a purely contingent fee basis. Class Counsel has incurred substantial attorneys' fees conducting pre-filing investigation, analyzing Plaintiffs' claims, conducting legal research and analysis, reviewing class documents and data produced by Defendants, extensively reviewing and evaluating the produced timekeeping and payroll records with the assistance of a retained expert to build a comprehensive damages model, preparing for and attending two mediation sessions and a Settlement Conference, negotiating and drafting the Memorandum of Understanding, long-form Settlement Agreement, and Class Notice, preparing this motion for preliminary approval, and otherwise litigating the case. Class Counsel will also expend future attorney time attending the hearing on this Motion, overseeing the Notice process, drafting the Final Approval Motion and supporting documents, attending the Final Approval hearing, and completing other tasks, such as fielding questions from Settlement Class Members.

44. On April 29, 2021, Plaintiff Kevin Murphy notified Defendants via certified mail, and the LWDA via electronic submission of Defendants' violations of the California Labor Code and his intent to bring a claim for civil penalties under PAGA, as required by Labor Code section 2699.3(a). Attached hereto as **Exhibit 3** is a true and correct copy of Plaintiff Kevin Murphy's April 29, 2021 PAGA Notice letter.

///

///

///

45. I am not aware of any actual or potential conflicts of interest between myself and the Settlement Class Members. Likewise, I am not affiliated with, nor do I have any interest or involvement in, the proposed settlement administrator, CPT Group, Inc.

I declare under penalty of perjury under the laws of the United States and the state of California that the foregoing is true and correct. Executed on November 9, 2023, at El Segundo, California.


Matthew K. Moen

EXHIBIT 1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Kevin Murphy, Gabriel Schwartz, Marc Brewer, Garrison Moreno (“Plaintiffs”), individually and on behalf of all similarly situated employees, and Defendants Fusion Learning, Inc. and Danielle Ryckman (collectively “Defendants”). The Agreement refers to Plaintiffs and Defendants collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1 “Related Actions” means the lawsuits initially filed by Plaintiff Kevin Murphy, entitled, *Kevin Murphy v. Fusion Learning, Inc.*, Case No. 2:21-cv-06732-JAK-AS (the “PAGA Action”), and *Kevin Murphy v. Fusion Learning, Inc.*, Case No. 2:22-cv-04497-JAK-AS (the “Class Action”) (collectively, the “Related Actions. The parties intend to file a stipulation to consolidate the Related Actions in a First Amended Complaint in Case No. 2:21-cv-06732-JAK-AS, and to add additional parties, Gabriel Schwartz, Marc Brewer and Garrison Moreno as named Plaintiffs in the consolidated First Amended Complaint.
- 1.2 “Administrator” means CPT Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3 “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4 “Aggrieved Employee” means all current and former non-exempt employees who were employed by Defendant in the State of California at any time during the “PAGA Period,” defined in ¶ 1.30 herein.
- 1.5 “Class” and “Class Member” mean, and refer to, a member of the class conditionally certified for settlement purposes only during the applicable Class Period as defined in ¶ 1.12, as the period from April 14, 2018 through June 2, 2023, consisting of all current and former non-exempt employees who worked for Defendant Fusion Learning, Inc. in California at any time during the Class Period.
- 1.6 “Class Counsel” and “Plaintiffs’ Counsel” means and refers to Haig B. Kazandjian and Cathy Gonzalez of Haig B Kazandjian Lawyers, APC; and Fletcher W. Schmidt and Matthew K. Moen of Haines Law Group, APC.
- 1.7 “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8 “Class Data” means Class Member identifying information in Defendant’s possession

including the Class Member's name, last-known mailing address, Social Security number, and number of Class Period Hours Worked and PAGA Period Hours Worked.

- 1.9 "Class Member" or "Settlement Class Member" means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).
- 1.10 "Class Member Address Search" means the Administrator's investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.
- 1.11 "Class Notice" means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English, attached as **Exhibit A** and incorporated by reference into this Agreement.
- 1.12 "Class Period" means the period from April 14, 2018 through June 2, 2023.
- 1.13 "Class Representatives" means the named Plaintiffs, Kevin Murphy, Gabriel Schwartz, Marc Brewer, Garrison Moreno, in the First Amended Complaint in the Action seeking Court approval to serve as a Class Representative.
- 1.14 "Class Representative Service Payment" means the payment to the Class Representative for initiating the Action and providing services in support of the Action.
- 1.15 "Court" means the Federal District Court – Central District of California.
- 1.16 "Defendants" means, and refers to Fusion Learning, Inc. and Danielle Ryckman.
- 1.17 "Defense Counsel" means Scott J. Witlin and Rochelle L. Calderon of Barnes & Thornburg, LLP.
- 1.18 "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.
- 1.19 "Final Approval" means the Court's order granting final approval of the Settlement.
- 1.20 "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.

- 1.21 “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.22 “Gross Settlement Amount” means \$1,250,000.00 (plus the employer’s share of payroll taxes), which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payments and the Administrator’s Expenses.
- 1.23 “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of total hours worked during the Class Period.
- 1.24 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of total hours worked during the PAGA Period.
- 1.25 “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.26 “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.27 “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.28 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.29 “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.30 “Operative Complaint” means the First Amended Class Action Complaint when filed, which encompasses and integrates the claims in the PAGA Action, Case No. 2:21-cv-06732-JAK-AS and those of the Class Action, Case No. 2:22-cv-04497-JAK-AS.
- 1.31 “PAGA Hours Worked” means any time during which an Aggrieved Employee worked for Defendant for at least one hour, or portion thereof, during the PAGA Period.
- 1.32 “PAGA Period” means the period from April 29, 2020 through June 2, 2023.
- 1.33 “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

- 1.34 “PAGA Notice” means Plaintiff Kevin Murphy’s California Labor Workforce Development Agency (“LWDA”) letter to Defendant Fusion Learning, Inc. and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.35 “PAGA Penalties” means \$50,000.00, which is the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$12,500.00) and the 75% to LWDA (\$37,500.00) in settlement of PAGA claims.
- 1.36 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.37 “Pay period” means each recurring period that Defendant pays its employees their wages. Defendants pay its employees on a bi-weekly basis.
- 1.38 “Plaintiffs” means Kevin Murphy, Gabriel Schwartz, Marc Brewer, Garrison Moreno the named plaintiffs in the First Amended Complaint in the Related Actions.
- 1.39 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.40 “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.41 “Released Class Claims” means the claims being released as described in Paragraph 6.3 below.
- 1.42 “Released PAGA Claims” means the claims being released as described in Paragraph 6.4 below.
- 1.43 “Released Parties” means: Defendants and each of its former and present directors, officers, shareholders, owners, members, managers, managing agents, attorneys, insurers, predecessors, successors, assigns subsidiaries, and affiliates.
- 1.44 “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.45 “Response Deadline” means 60 days after the Administrator mails Notice to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 15 calendar days beyond the Response Deadline has expired.
- 1.46 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

- 1.47 “Class Hours Worked” means any time, during which a Class Member worked for Defendant Fusion Learning, Inc. for at least one hour, or portion thereof, during the Class Period.

2. RECITALS.

- 2.1 On July 8, 2021, Plaintiff Kevin Murphy filed a Complaint against Defendant Fusion Learning, Inc. alleging a single cause of action seeking penalties pursuant to the Private Attorney General Act, Labor Code §2698, et seq., which sought recovery of alleged unpaid wages, penalties, interest, and attorneys’ fees and costs. On August 19, 2021, Defendant removed the case to the Federal District Court- Central District, Case No. 2:21-cv-06732-JAK-AS. On April 14, 2022, Plaintiff Kevin Murphy filed a Class Action Complaint against Defendant alleging class claims for unpaid wages, penalties, interest, and attorneys’ fees and costs. On June 30, 2022, Defendant removed the case to the Federal District Court- Central District, Case No. 2:22-cv-04497-JAK-AS.
- 2.2 The Parties will file a Stipulation for Order Granting Leave to Amend the Complaint to consolidate the PAGA Complaint with the Class Action Complaint and to add Gabriel Schwartz, Marc Brewer and Garrison Moreno as named Plaintiffs in the Proposed First Amended Complaint. Upon filing, the First Amended Complaint will be deemed the operative complaint. The First Amended Complaint includes the previous claims from the July 8, 2021, PAGA only Complaint and Class Action allegations, adding the following causes of action: (1) Failure To Pay Straight and Overtime Compensation; (2) Failure To Provide Meal Periods; (3) Failure to Authorize and Permit Rest Periods; (4) Failure to Keep Accurate Payroll Records; (5) Failure to Pay Waiting Time Penalties; (6) Failure to Pay Wages Upon Termination; (7) Failure to Reimburse Necessary Business Expenses; (8) Failure To Pay Minimum Wages; (9) Unlawful Business Practices; and (10) Violation Of California Private Attorneys General Act (“PAGA”). The First Amended Class Action Complaint once filed will be the operative complaint in the Action (the “Operative Complaint.”) Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint and denies any and all liability for the causes of action alleged. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff Kevin Murphy gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.
- 2.3 On April 14, 2022, the parties attended a private mediation presided over by an experienced mediator, Michael D. Young, which ultimately proved unsuccessful. On March 22, 2023, the parties attended a Settlement Conference before Magistrate Judge Maria A. Audero, which was intended to cover both Plaintiff’s PAGA-only action and putative class action lawsuits. Again, the parties were unable to resolve the matter. On May 30, 2023, the Parties participated in an all-day mediation presided over by, an experienced mediator, Mark S. Rudy, Esq., which led to this Agreement to settle the Action. The Parties believe this Settlement is a fair, adequate and reasonable settlement of this Action and have arrived at this Settlement after extensive arms-length negotiations, taking into account all relevant factors, present and potential. The Parties

to this Agreement are represented by competent counsel, and they have had an opportunity to consult with counsel prior to its execution.

- 2.4 Prior to mediation, Plaintiff obtained, through informal discovery, information regarding the payment of wages, time keeping, overtime, meal and rest periods, and the production of a sampling of detailed voluminous class-wide payroll and time punch data by Defendant in response to informal requests for information for the purpose of mediation. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").
- 2.5 The Court has not granted class certification as a motion for class certification has not been filed.
- 2.6 The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

- 3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendants promise to pay \$1,250,000.00 and will separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant had no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 6.1 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.
- 3.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:
 - 3.2.1 To Plaintiffs: Class Representative Service Payments to the Class Representatives of not more than \$10,000.00 to the named Plaintiff, Kevin Murphy, and of not more than \$5,000 each, to Plaintiffs Gabriel Schwartz, Marc Brewer and Garrison Moreno (in addition to any Individual Class Payments [and any Individual PAGA Payments] the Class Representatives are entitled to receive as a Participating Class Members). Defendant will not oppose Plaintiffs' request for a Class Representative Service Payments that does not exceed these amounts. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves Class Representative Service Payments less than the amounts requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payments

using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payments.

- 3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than 1 / 3 %, which is currently estimated to be \$416,666.66 and a Class Counsel Litigation Expenses Payment of not more than \$60,000.00. Defendant will not oppose requests for these payments provided that do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.
- 3.2.3 To the Administrator: An Administrator Expenses Payment not to exceed \$14,500.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$14,500.00, the Administrator will retain the remainder in the Net Settlement Amount.
- 3.2.4 To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Hours Worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's total Hours Worked.
- Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for [e.g., interest and penalties] (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.
 - Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution

to Participating Class Members on a pro rata basis.

3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$50,000.00 to be paid from the Gross Settlement Amount, with 75% (\$37,500.00) allocated to the LWDA PAGA Payment and 25% (\$12,500.00) allocated to the Individual PAGA Payments. See ¶ 1.34 above.

- The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties \$12,500.00 by the total number of PAGA Period Hours Worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Hours Worked. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.
- If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Class Period Hours Worked. Defendants represent that based on review of its records, there are no greater than a total of 2,582,561 total hours worked by the approximately 1,280 settlement Class Members during the Class Period.

4.2 Class Data. Not later than 15 days after the Court grants Preliminary Approval of the Settlement, Defendant will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than 30 days after the Effective Date. The Administrator shall calculate Defendant's share of payroll taxes and provide the calculations to Defense Counsel no later than 5 days after the Effective Date.

4.4 Payments from the Gross Settlement Amount. Within 15 days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class

Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payments. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payments shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

- 4.4.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.
- 4.4.2 The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.
- 4.4.3 For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b). The Parties acknowledge that California Civil Procedure Code section 384 and the Doctrine of Cy Pres are not applicable to this Settlement because the terms of this Settlement Agreement expressly provide for the disposition of the entire Gross Settlement Amount, whether claimed or unclaimed.
- 4.4.4 The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. **THIS SECTION OMITTED.**

6. **RELEASES OF CLAIMS.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Class Members, and Class Counsel will release claims against all Released Parties as follows:

6.1 Plaintiffs' Release. Plaintiffs and their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences that occurred during the Class Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint and Plaintiff's PAGA Notice, ("Plaintiffs' Release.") Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agree, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

6.2 Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or released party.

6.3 Release by Participating Class Members: Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from liability for all claims under state, federal or local law, whether statutory, common law or administrative law, based on the factual allegations set forth in the Operative Complaint, or which could have been pled in the Operative Complaint in the Related Actions based on the factual allegations therein, including but not limited to claims for minimum wage violations, overtime wage violations, meal period violations, rest period violations, violations of Labor Code section 2802, waiting time penalties, wage statement violations, violations of the California Business and Professions Code section 17200, *et seq.*, that arose during the Class Period (the "Released Claims"), for the time from April 14, 2018 through June 2, 2023.

- 6.4 Release by Aggrieved Employees: Effective on the date when Defendant fully funds the entire Gross Settlement Amount all Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and Plaintiff's PAGA Notice including California Labor Code sections 201, 202, 203, 204, 206, 210, 218.5, 226, 226.7, 246, 432, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1197, 1197.1, 1198, 1198.5, 2800, 2802, and the applicable Wage Orders, and derivative claims which reasonably could have been alleged based on the PAGA Period facts in the Operative Complaint and Plaintiff's PAGA Notice, for the time from April 29, 2020 through June 2, 2023.
7. **MOTION FOR PRELIMINARY APPROVAL.** The Parties agree to the Plaintiffs shall prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current standards for Preliminary Approvals.
- 7.1 Plaintiffs' Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, [and/or] the Administrator; (v) a signed declaration from Class Counsel firms attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and (vi) all facts relevant to any actual or potential conflict of interest with Class Members, the Administrator.
- 7.2 Responsibilities of Counsel. Class Counsel is responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

- 7.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

8. SETTLEMENT ADMINISTRATION.

- 8.1 Selection of Administrator. The Parties have jointly selected CPT Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, CPT Group, Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 8.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.
- 8.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.
- 8.4 Notice to Class Members.
- 8.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, and the total number of Class Members Hours Worked, and total number of PAGA Members Hours Worked in the Class Data.
- 8.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice substantially in the form attached to this Agreement as Exhibit A. The Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Hours Worked by Class Members during the Class Period, and the number of Hours Worked by PAGA Members during the PAGA Period (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

- 8.4.3 Not later than 5 business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
- 8.4.4 The deadlines for Class Members' written objections, Challenges to Class Hours Worked, and Requests for Exclusion will be extended an additional 15 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
- 8.4.5 If the Administrator, Defendant, or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

8.5 Requests for Exclusion (Opt-Outs).

- 8.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional 15 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.
- 8.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

8.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits, and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 6.3 and 6.4 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

8.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 6.3 of this Agreement and are eligible for an Individual PAGA Payment.

8.6 Challenges to Calculation of Class Hours Worked and PAGA Hours Worked. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 15 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Hours Worked and PAGA Hours Worked (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Hours Worked contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Class Hours Worked and/or PAGA Hours Worked shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Hours Worked by Class Members and/or by PAGA Members to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

8.7 Objections to Settlement.

8.7.1 Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

8.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 60 days after the Administrator's mailing of the Class Notice (plus an additional 15 days for Class Members whose Class Notice was re-mailed).

8.7.3 Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

8.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

8.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

8.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. No later than 16 court days before the Settlement Fairness Hearing, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

8.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Hours Worked received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include provide the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

8.8.4 Class Hours Worked and/or PAGA Hours Worked Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Hours Worked by Class Members and/or PAGA Members. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.

8.8.5 Administrator’s Declaration. Not later than 14 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance

with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration in Court.

8.8.6 Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

9. **CLASS SIZE ESTIMATES and ESCALATOR CLAUSE.** Defendants represent that based on review of its records, there are no greater than a total of 2,582,561 total hours worked by the approximately 1,280 settlement Class Members during the Class Period. If the actual number of total hours worked by the settlement Class Members exceeds this figure by more than 10%, Defendants shall increase the Maximum Settlement Amount on a proportional basis (i.e., if the actual number of total hours worked is 109% of the 2,582,561 total hours worked, there shall be no increase in the Maximum Settlement Amount; if the actual number of total hours worked is 112% of the 2,582,561 total hours worked, the Maximum Settlement Amount shall be increased by 12%).
10. **DEFENDANTS' RIGHT TO WITHDRAW.** Defendants shall have the right, in their sole discretion, to revoke the settlement and their conditional stipulation to class certification for settlement purposes prior to the final fairness hearing in the event that five percent (5%) or more settlement Class Members opt out of the Settlement. Defendants must notify Class Counsel and the Court of its election to withdraw not later than seven days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.
11. **MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiffs shall provide drafts of these documents to Defense Counsel not later than five days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

- 11.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
- 11.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.
- 11.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.
- 11.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.
- 11.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

12. **AMENDED JUDGMENT.** If any amended judgment is required, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

13. **ADDITIONAL PROVISIONS.**

13.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the Operative Complaint have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendants' defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval or enter Judgment, Defendants reserve the right to contest certification of any class for any reasons, and Defendants reserve all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendants' defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

13.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendants and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendants and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

13.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

- 13.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 13.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 13.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 13.7 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 13.8 No Tax Advice. Neither Plaintiff, Class Counsel, Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 13.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 13.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 13.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 13.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

- 13.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 13.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy, all paper and electronic versions of Class Data received from Defendants unless, prior to the Court's discharge of the Administrator's obligation, Defendants make a written request to Class Counsel for the return, rather than the destructions, of Class Data.
- 13.15 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 13.16 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 13.17 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs:

HAIG B. KAZANDJIAN LAWYERS APC

Haig B. Kazandjian, Esq.

haig@hbklawyers.com

Cathy Gonzalez, Esq.,

cathy@hbklawyers.com

801 North Brand Boulevard, Suite 970

Glendale, California 91203

Telephone: 1-818-696-2306

Facsimile: 1-818-696-2307

HAINES LAW GROUP, APC

Fletcher W. Schmidt

fschmidt@haineslawgroup.com

Matthew K. Moen

mmoen@haineslawgroup.com

2155 Campus Drive, Suite 180

El Segundo, California 90245

Tel: (424) 292-2350

Fax: (424) 292-2355

Attorneys for Plaintiffs,
individually and on behalf of all other
CLASS MEMBERS and AGGRIEVED EMPLOYEES

To Defendants:

SCOTT J. WITLIN
scott.witlin@btlaw.com
ROCHELLE L. CALDERON
rochelle.calderon@btlaw.com
BARNES & THORNBURG LLP
2029 Century Park East, Suite 300
Los Angeles, California 90067
Telephone: (310) 284-3880
Facsimile: (310) 284-3894

Attorneys for Defendants
FUSION LEARNING, INC. and
DANIELLE RYCKMAN

- 13.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- 13.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement to extend the date to bring a case to trial for the entire period of this settlement process.

KEVIN MURPHY

Kevin L. Murphy

FUSION LEARNING, INC.

By: _____
Its: _____

GABRIEL SCHWARTZ

G. Schwartz

DANIELLE RYCKMAN.

By: _____
Its: _____

MARC BREWER

Marc Brewer



Attorneys for Plaintiffs,
individually and on behalf of all other
CLASS MEMBERS and AGGRIEVED EMPLOYEES

To Defendants:

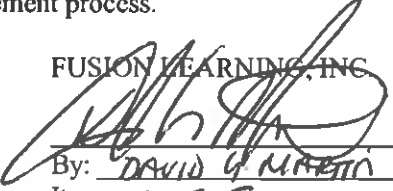
SCOTT J. WITLIN
scott.witlin@btlaw.com
ROCHELLE L. CALDERON
rochelle.calderon@btlaw.com
BARNES & THORNBURG LLP
2029 Century Park East, Suite 300
Los Angeles, California 90067
Telephone: (310) 284-3880
Facsimile: (310) 284-3894

Attorneys for Defendants
FUSION LEARNING, INC. and
DANIELLE RYCKMAN

- 13.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- 13.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement to extend the date to bring a case to trial for the entire period of this settlement process.

KEVIN MURPHY

FUSION LEARNING, INC.

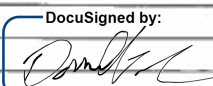
By:  DAVID G. MARTIN

Its: CHIEF FINANCIAL OFFICER

GABRIEL SCHWARTZ

DANIELLE RYCKMAN.

By: _____ DocuSigned by:

Its:  _____

936E9DD0960E4E0...

MARC BREWER

10/9/2023

GARRISON MORENO



HAIG B. KAZANDJIAN LAWYERS APC



Haig B. Kazandjian, Esq.

Cathy Gonzalez, Esq.

Attorneys for Plaintiffs, individually and on behalf of
all other CLASS MEMBERS and AGGRIEVED
EMPLOYEES

BARNES & THORNBURG LLP



Scott J. Witlin, Esq.

Rochelle L. Calderon, Esq.

Attorneys for Defendants

HAINES LAW GROUP, APC



Fletcher W. Schmidt, Esq.

Matthew K. Moen, Esq.

Attorneys for Plaintiffs, individually and on behalf of
all other CLASS MEMBERS and AGGRIEVED
EMPLOYEES

Exhibit A

**COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING
DATE FOR FINAL COURT APPROVAL**

Kevin Murphy, et al. vs. Fusion Learning, Inc, et al., Federal District Court
Case No. 2:21-cv-06732-JAK-AS

The Federal District Court authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.

You may be eligible to receive money from an employee PAGA and class action lawsuit (“Action”) filed against Fusion Learning, Inc and Danielle Ryckman (“Defendants”) for alleged wage and hour violations. The Action was filed by former employees of Defendants, Kevin Murphy, Gabriel Schwartz, Marc Brewer and Garrison Moreno (“Plaintiffs”) and seeks payment of (1) back wages for a class of hourly employees (“Class Members”) who worked for Defendants during the Class Period (April 14, 2018 and June 2, 2023); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all hourly employees who worked for Defendants during the PAGA Period (April 29, 2020 and June 2, 2023) (“Aggrieved Employees”).

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendants to fund Individual Class Payments, and (2) a PAGA Settlement requiring Defendants to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on Defendants’ records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$_____ (less withholding) and your Individual PAGA Payment is estimated to be \$_____.** The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendants’ records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.)

The above estimates are based on Defendants’ records showing that **you worked _____ hours** during the Class Period and **you worked _____ hours** during the PAGA Period. If you believe that you worked more hours during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiffs and Plaintiffs’ attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendants to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendants.

If you worked for Defendants during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

- (1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Defendants.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Defendants, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

Defendants will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendants that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is [not later than 60 days after the Administrator mails the Class Notice (plus an additional 15 days for Class Members whose Class Notice is re-mailed)]	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to the

[not later than 60 days after the Administrator mails the Class Notice (plus an additional 15 days for Class Members whose Class Notice is re-mailed).]	amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the [TBD] Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on [TBD]. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Hours Worked Written Challenges Must be Submitted by [60 days after the Administrator mails the Class Notice (plus an additional 15 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Hours Worked and PAGA Hours Worked (if any) allocated to the Class Member in the Class Notice]._____	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many hours you worked at least one day during the Class Period and how many hours you worked during the PAGA Period, respectively. The number Class Period hours and number of PAGA Period hours you worked according to Defendants’ records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiffs are former employees of Defendants. The Action accuses Defendants of violating California labor laws for minimum wage violations, overtime wage violations, meal period violations, rest period violations, violations of Labor Code section 2802, waiting time penalties, wage statement violations, violations of the California Business and Professions Code section 17200, *et seq.*, that arose during the Class Period of April 14, 2018 and June 2, 2023 .

Based on the same claims, Plaintiffs also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, *et seq.*) (“PAGA”). Plaintiffs are represented by attorneys in the Action: Haig B. Kazandjian and Cathy Gonzalez of Haig B. Kazandjian

Lawyers, APC, and Fletcher W. Schmidt and Matthew K. Moen of Haines Law Group, APC (“Class Counsel.”)

Defendants strongly deny violating any laws or failing to pay any wages and contends it complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether Defendants or Plaintiffs is correct on the merits. In the meantime, Plaintiffs and Defendants hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiffs and Defendants have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendants do not admit any violations or concede the merit of any claims.

Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendants have agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Defendants Will Pay \$1,250,000.00 as the Gross Settlement Amount (Gross Settlement). Defendants have agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payments, Class Counsel’s attorney’s fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval, Defendants will fund the Gross Settlement not more than 30 days after the Judgment entered by the Court become final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$ \$416,666.66 (1/3% of the Gross Settlement to Class Counsel for attorneys’ fees and up to \$60,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.

- B. Class Representative Service Payments to the Class Representatives of not more than \$10,000.00 to the named Plaintiff, Kevin Murphy, and of not more than \$5,000 each, to Plaintiffs Gabriel Schwartz, Marc Brewer and Garrison Moreno (in addition to any Individual Class Payments [and any Individual PAGA Payments] the Class Representatives are entitled to receive as a Participating Class Members).
- C. Up to \$14,500.00 to the Administrator for services administering the Settlement.
- D. Up to \$50,000.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment (\$37,500.00) and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Hours Worked during the PAGA Period (\$12,500.00).

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

- 3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on their Class Hours Worked during the Class Period.
- 4. Taxes Owed on Payments to Class Members. Plaintiff and Defendant are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages (“Wage Portion”) and 80% to penalties and interest (“Non-Wage Portion.”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiffs and Defendants have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

- 5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name.

If the monies represented by your check is sent to the Controller’s Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.

- 6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than [60 days after the Administrator mails the Class

Notice (plus an additional 15 days for Class Members whose Class Notice is re-mailed).], that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the [insert date] Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments but will preserve their rights to personally pursue wage and hour claims against Defendant.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendants based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendants have agreed that, in either case, the Settlement will be void: Defendants will not pay any money and Class Members will not release any claims against Defendants.
8. Administrator. The Court has appointed a neutral company, CPT Group, Inc. (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Hours Worked, mail and re- mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.
9. Participating Class Members' Release. After the Judgment is final and Defendants have fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release:

Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from liability for all claims under state, federal or local law, whether statutory, common law or administrative law, based on the factual allegations set forth in the operative complaint, or which could have been pled in the operative complaint in the Related Actions based on the factual allegations therein, including but not limited to claims

for minimum wage violations, overtime wage violations, meal period violations, rest period violations, violations of Labor Code section 2802, waiting time penalties, wage statement violations, violations of the California Business and Professions Code section 17200, *et seq.*, that arose during the Class Period (the “Released Claims”), for the time from April 14, 2018 through June 2, 2023.

10. Aggrieved Employees’ PAGA Release. After the Court’s judgment is final, and Defendants have paid the Gross Settlement, all Aggrieved Employees will be barred from asserting PAGA claims against Defendants whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendants or their related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees’ Releases for Participating and Non-Participating Class Members are as follows:

Effective on the date when Defendant fully funds the entire Gross Settlement Amount all Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and Plaintiff’s PAGA Notice including California Labor Code sections 201, 202, 203, 204, 206, 210, 218.5, 226, 226.7, 246, 432, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1197, 1197.1, 1198, 1198.5, 2800, 2802, and the applicable Wage Orders, and derivative claims which reasonably could have been alleged based on the PAGA Period facts in the Operative Complaint and Plaintiff’s PAGA Notice, for the time from April 29, 2020 through June 2, 2023.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of hours worked by all Participating Class Members, and (b) multiplying the result by the number of hours worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing pro rata share of 25% of the PAGA Penalties by the total number of hours worked by all Aggrieved Employees during the PAGA Period, and (b) multiplying the result by the number of hours worked by each individual Aggrieved Employee.
3. Total Hours Worked Challenges. The number of Class total hours that you worked during the Class Period and PAGA Period, as recorded in Defendant’s records, are stated in the first page of this Notice. You have until [REDACTED] to challenge the number of hours credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator’s contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendants' calculation of hours worked based on Defendants' records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve hours worked challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendants' Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.
2. Non-Participating Class Members Who are Aggrieved Employees. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as Kevin Murphy vs. Fusion Learning, Inc., et al., Federal District Court Case No. 2:21-cv-06732-JAK-AS, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by** [not later than 60 days after the Administrator mails the Class Notice (plus an additional 15 days for Class Members whose Class Notice is re-mailed)], **or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Fusion Learning, Inc. are asking the Court to approve. Any objection or challenge to the number of Class Hours Worked or PAGA Hours Worked must be received at least 60 days after the Administrator mails the Class Notice (plus an additional 15 days for Class Members whose Class Notice is re-mailed). Sixteen court days before the [TBD]

Final Approval Hearing, Class Counsel and/or Plaintiffs will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as a Class Representative Service Awards. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website _____ or the Court's website _____

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. **The deadline for sending written objections to the Administrator is [not later than 60 days after the Administrator's mailing of the Class Notice (plus an additional 15 days for Class Members whose Class Notice was re-mailed)].** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action Kevin Murphy vs. Fusion Learning, Inc., et al., Federal District Court Case No. 2:21-cv-06732-JAK-AS, and include your name, current address, telephone number, and approximate dates of employment for Defendants and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [TBD] in Courtroom 10B of the Federal District Court, located at 350 West First Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually. Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website _____ beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendants and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to _____' website at _____. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below.

DO NOT TELEPHONE THE COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Class Counsel:

HAIG B. KAZANDJIAN LAWYERS APC

Haig B. Kazandjian, Esq.

haig@hbklawyers.com

Cathy Gonzalez, Esq.,

cathy@hbklawyers.com

801 North Brand Boulevard, Suite 970

Glendale, California 91203

Telephone: 1-818-696-2306

Facsimile: 1-818-696-2307

HAINES LAW GROUP, APC

Fletcher W. Schmidt

fschmidt@haineslawgroup.com

Matthew K. Moen

mmoen@haineslawgroup.com

2155 Campus Drive, Suite 180

El Segundo, California 90245

Tel: (424) 292-2350

Fax: (424) 292-2355

Settlement Administrator:

CPT Group, Inc.

Email Address:

50 Corporate Park, Irvine, CA 92606

Telephone: (800) 542-0900

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the Unclaimed Property Fund through the California State Controller's Office at https://www.sco.ca.gov/upd_msg.html for instructions on how to retrieve the funds

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.

EXHIBIT 2

EXHIBIT 3

**HAIG B.
KAZANDJIAN**
LAWYERS | APC

April 29, 2021

VIA ONLINE FILING

California Labor & Workforce Development Agency
Attn. PAGA Administrator
800 Capitol Mall, MIC-55
Sacramento, California 95814

VIA U.S. CERTIFIED MAIL

FUSION LEARNING, INC.
Agent for Service of Process
CSC Lawyers Incorporating Service
2710 Gateway Oaks Drive, Suite 150N
Sacramento, CA 95833

PETER RUPPERT
CEO
72 MONROE CENTER NW, SUITE B
GRAND RAPIDS, MI 49503

**Re: Notice of Labor Law Violations, California Labor Code Section 2698 Et. Seq. to
FUSION LEARNING, INC., PETER RUPPERT, and DOES 1 through 100, inclusive**

Dear Labor and Workforce Development Agency Representative,

We are writing on behalf of KEVIN MURPHY ("EMPLOYEE") who seeks penalties from FUSION LEARNING, INC. and PETER RUPPERT, both jointly and severally, and DOES 1 through 100, inclusive, (hereinafter collectively "EMPLOYERS"), on EMPLOYEE's own behalf, on behalf of the State of California, and on behalf of all non-exempt, hourly-paid employees who worked for either FUSION LEARNING, INC. and/or DOES 1 through 100, inclusive, during the relevant statutory period for violations of the California Labor Code and applicable wage law, including but not limited to: California Labor Code sections 201, 202, 203, 204, 206, 226(a), 226.7, 246, 510, 512(a), 1174(d), 1174.5, 1182.12, 1194, 1197, 1197.1 1198, 2802, and 2810.5.

EMPLOYEE intends to seek civil penalties, attorney's fees, costs, and any and all other available relief for violations of the California Labor Code made recoverable under sections 2698, *et seq.*, the Labor Code Private Attorney General Act of 2004 ("PAGA"). EMPLOYEE seeks relief on EMPLOYEE'S own behalf, on behalf of the State of California, and on behalf of all other non-exempt, hourly-paid employees who were employed by EMPLOYERS ("AGGRIEVED EMPLOYEES").

HAIG B. KAZANDJIAN

LAWYERS | APC

This Notice is sent in compliance with and pursuant to the reporting requirements of California Labor Code section 2699.3. **This Notice also serves to demonstrate EMPLOYEE's good-faith attempt at settlement with EMPLOYERS. If EMPLOYERS are interested in settling this matter, EMPLOYERS are encouraged to contact HAIG B. KAZANDJIAN LAWYERS, APC using the contact information provided in this Notice.**

This Notice is sent on behalf of all non-exempt, hourly-paid employees of FUSION LEARNING, INC., and it is sent on behalf of all non-exempt, hourly-paid employees of DOES 1 through 100, inclusive. The AGGRIEVED EMPLOYEES worked for all of the EMPLOYERS or for either of the EMPLOYERS as non-exempt, hourly-paid employees. Nothing in this Notice should be interpreted as limiting the representative class to non-exempt, hourly-paid employees who only worked for all EMPLOYERS only.

The definition of "employer" for purposes of the California Labor Code includes irregular working arrangements, and was specifically drafted in order to prevent evasion and subterfuge of California's labor laws. To that end, EMPLOYEE is informed and believes, and based thereon alleges, that EMPLOYERS, including any as of now unknown entities, must be classified as joint-employers for purposes of liability for civil penalties under PAGA. As such, EMPLOYERS are each liable for civil penalties for violation of the California Labor Code as to EMPLOYEE and the other Aggrieved Employees.

This Notice further reserves EMPLOYEE's right to amend and/or add to this Notice, upon discovery of new information, additional violations of the California Labor Code and/or individuals and/or EMPLOYERS responsible for same. Any further amendments and changes to this notice shall relate back to the date of this notice.

Factual Background

EMPLOYERS, both jointly and separately, employed EMPLOYEE as an hourly-paid, non-exempt employee at its southern California location from on or about December 9, 2019 until on or about March 9, 2021. EMPLOYEE received EMPLOYEE's last paycheck on or about March 19, 2021. While employed by EMPLOYERS, EMPLOYEE worked as an English & History Teacher / Mentor for the students of EMPLOYERS.

EMPLOYEE is informed, believes, and thereupon alleges that EMPLOYERS are a California Corporation, licensed private, alternative school for grades 6-12. EMPLOYEE is informed and believes, and based thereon alleges, that EMPLOYERS have numerous locations throughout California.

EMPLOYEE is informed and believes, and based thereon alleges, that PETER RUPPERT is an officer and/or owner and/or director and/or agent of the above entity. Acting in that capacity, at all relevant times PETER RUPPERT oversaw, managed, and/or was otherwise personally

**HAIG B.
KAZANDJIAN**
LAWYERS | APC

responsible for employee compliance with California Labor Code 558 and 558.1. This includes, but is not limited to, employee use of EMPLOYERS' payroll and timekeeping management system.

EMPLOYEE is informed, believes, and thereupon alleges that at all relevant times, the above-named EMPLOYERS instituted and implemented standard practices and procedures for all non-exempt, hourly-paid employees in California. This includes, but is not limited to, payroll processing, dissemination of wage statements, oversight and approval of rest breaks, meal breaks, and timekeeping.

EMPLOYEE seeks penalties on behalf of the State of California and all current and former hourly-paid, non-exempt employees who worked for each of the EMPLOYERS and/or either of the EMPLOYERS during the relevant time period pursuant to California Labor Code section 2698, et. seq., the Labor Code Private Attorneys General Act of 2004 ("PAGA"). The purpose of this letter is to comply with the statutory requirements of California Labor Code section 2699.3 and shall constitute notice of the same.

The facts¹ of the aforementioned violations of the California wage-and-hour laws include, but are not limited to, the facts referenced herein.

Violation of Labor Code 226, 432, 1198.5 (Failure to Provide Employment Records)

California Labor Code Section 226 provides, "An employer who receives a written or oral request to inspect or copy records pursuant to subdivision (b) pertaining to a current or former employee [records of hours worked and wages paid]... shall comply with the request as soon as practicable, but no later than 21 calendar days from the date of the request."

California Labor Code Section 432 provides, "If an employee signs any instrument relating to the obtaining or holding of employment, he shall be given a copy of the instrument upon request."

California Labor Code Section 1198.5 provides that every employee shall be permitted to inspect and obtain a copy of their personnel records upon request.

In accordance with the process set out in Labor Code Section 226, EMPLOYEE requested, in writing by letter via certified first-class mail to EMPLOYERS and regular first-class mail to EMPLOYERS, that EMPLOYERS provide EMPLOYEE with EMPLOYEE'S wage and payroll history, all documents signed by EMPLOYEE pursuant to Labor Code Section 432, and a copy of EMPLOYEE'S personnel records pursuant to Labor Code Section 1198.5.

¹ EMPLOYEE reserves the right to present and/or reference further evidence as it is discovered.

**HAIG B.
KAZANDJIAN**
LAWYERS | APC

Attached as "EXHIBIT A" is a true and correct copy of the aforementioned correspondence.

The time periods provided to EMPLOYERS by Labor Code Sections 226, 432, 1198.5 and any other relevant statutes have elapsed since EMPLOYERS received EMPLOYEE's correspondence requesting documents pursuant to Labor Code Section 226, 432, and 1198.5, and a copy of EMPLOYEE'S personnel records pursuant to Labor Code Section 1198.5. However, EMPLOYERS have still failed to provide EMPLOYEE with all of the employment documents to which they are entitled, including, but not limited to, EMPLOYEE's timesheets.

Pursuant to the foregoing, EMPLOYEE is entitled to recover a \$750 penalty pursuant to Labor Code Section 226(f), a \$750 penalty pursuant to Labor Code Section 1198.5(k), and reimbursement for costs, including attorney's fees as afforded under applicable law, including, but not limited to, Labor Code Sections 226(f) and 1198.5(k).

Violation of Labor Code 510 (Overtime and Double Time)

California Labor Code Section 510 and the applicable Wage Orders require employers to pay employees working more than eight (8) hours in a day or more than 40 hours in a week at the rate of at least time-and-one-half (1.5) times their regular rate of pay ("overtime") for time such worked, and two (2) times their regular rate of pay ("double time") for such hours worked in excess of 12 hours in a day. "Regular rate" includes all remuneration, including non-discretionary bonuses and incentives.

During the relevant time period, EMPLOYEE and other AGGRIEVED EMPLOYEES regularly worked in excess of eight (8), and in excess of 12, hours in a workday and/or 40 hours in a workweek.

EMPLOYERS routinely required this work to be performed before and/or after scheduled shifts, and/or during off-the-clock meal breaks, and/or during rest breaks. As a consequence, EMPLOYERS willfully failed to pay EMPLOYEE and other hourly-paid, non-exempt employees the wages to which they were entitled.

Attached hereto as "Exhibit B" are examples of such violations.

Page one (1) of Exhibit A shows that EMPLOYERS records indicate that EMPLOYEE worked for *exactly* 47.50 hours for the pay period of February 28, 2021 through March 13, 2021. Such whole, round, and exact numbers do not result when EMPLOYERS are actively engaged in tracking the time that employee actually spent working for EMPLOYERS, but instead when EMPLOYERS are merely recording EMPLOYEE's scheduled hours of work.

HAIG B. KAZANDJIAN

LAWYERS | APC

As a result of this practice, EMPLOYEE was not paid for time they spent outside of their normally scheduled hours of work, including, but not limited to, work performed before their scheduled shift, after their scheduled shift, or during meal and/or rest breaks.

Because EMPLOYERS have failed to provide EMPLOYEE with all of the employment documents to which he is entitled by law, EMPLOYEE is unable to accurately ascertain the full extent of his damages, causing him further damage. Such behavior by EMPLOYERS is the exact type of behavior that the California Labor Code was inured to prevent.

Pursuant to the foregoing, EMPLOYERS violated California Labor Code section 510 and the applicable Wage Orders. EMPLOYEE and other AGGRIEVED EMPLOYEES are entitled to civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558, 1194, and/or 2699(a), (f)-(g).

Violation of Labor Code 226.7 and 512(a) (Meal and Rest Breaks)

California Labor Code sections 226.7, 512(a), and the applicable Wage Orders require employers to pay employees one (1) additional hour of pay at the employees' regular rate of pay for each work day that a legally compliant meal and/or rest break was not provided.

Employers cannot require, cause, or permit an employee to work more than five (5) hours per day without providing an uninterrupted meal break. If an employee works over ten (10) hours in a workday, employers are required to either provide a second, uninterrupted 30-minute meal break or pay employees an additional one (1) hour of pay at the employees' regular rate.

If the employer fails to properly record a valid meal period, it is presumed that no meal period was provided.

Furthermore, no employer shall require an employee to work during any rest period. Rest periods requirements are based on the total hours worked; employees are legally entitled to ten (10) minutes per four (4) hours, or major fraction thereof, that employee worked.

EMPLOYERS failed to provide EMPLOYEE and other AGGRIEVED EMPLOYEES with the required rest and meal break periods. EMPLOYEE and other AGGRIEVED EMPLOYEES were routinely required to work through these periods instead, because of understaffing, inadequate coverage, unreasonably high workload and expectations, and/or other actions, inactions, or decisions made by and within the sole control and discretion of EMPLOYERS.

EMPLOYEE and other AGGRIEVED EMPLOYEES worked shifts in excess of five (5) hours without a meal break, and worked shifts of ten (10) hours or more without a second meal break, due to understaffing, inadequate coverage, unreasonably high workload and expectations,

**HAIG B.
KAZANDJIAN**
LAWYERS | APC

and/or other actions, inactions, or decisions made by and within the sole control and discretion of EMPLOYERS.

EMPLOYEE is informed and believes, and based thereon alleges, that any purported appearance of meal and/or rest break compliance is because EMPLOYERS systematically and routinely clocked out for and/or otherwise altered the timekeeping records of EMPLOYEE and other AGGRIEVED EMPLOYEES in an attempt to hide the aforementioned infractions. EMPLOYERS, knowingly and contrary to law and public policy, employed a tactic of clocking-out employees for rest and/or meal periods that were never taken and/or otherwise falsified or altered timekeeping records.

EMPLOYERS knew, or should have known, that their behavior caused EMPLOYEE and other AGGRIEVED EMPLOYEES to work through the above-described meal and/or rest periods. As a company-wide policy, EMPLOYERS still chose not to pay meal and rest period premiums required by law.

Because EMPLOYERS have failed to provide EMPLOYEE with all of the employment documents to which he is entitled by law, EMPLOYEE is unable to accurately ascertain the full extent of his damages, causing him further damage. Such behavior by EMPLOYERS is the exact type of behavior that the California Labor Code was inured to prevent.

Pursuant to the foregoing, EMPLOYERS violated California Labor Code sections 226.7, 512(a), and 1198. EMPLOYEE and other AGGRIEVED EMPLOYEES are entitled to civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558, and/or 2699(a), (f)-(g), and any and all other applicable law.

Violation of Labor Code 1182.12, 1194, 1197, and 1197.1 (Minimum Wage)

California Labor Code sections 1182.12, 1194, 1197, and 1197.1 require employers to pay the minimum wage as set by the Industrial Welfare Commission ("IWC"). California Labor Code section 1182.12, as amended by Senate Bill 3, Chapter 4, Section 3, defines the minimum wage as;

- (1) For any employer who employs 26 or more employees:
 - (A) From January 1, 2017, to December 31, 2017, \$10.50 per hour.
 - (B) From January 1, 2018, to December 31, 2018, \$11 per hour.
 - (C) From January 1, 2019, to December 31, 2019, \$12 per hour.
 - (D) From January 1, 2020, to December 31, 2020, \$13 per hour.
 - (E) From January 1, 2021, to December 31, 2021, \$14 per hour.
 - (F) From January 1, 2022, and until adjusted by subdivision (c) \$15 per hour.
- (2) For any employer who employs 25 or fewer employees:
 - (A) From January 1, 2018, to December 31, 2018, \$10.50 per hour.
 - (B) From January 1, 2019, to December 31, 2019, \$11 per hour.

**HAIG B.
KAZANDJIAN**
LAWYERS | APC

- (C) From January 1, 2020, to December 31, 2020, \$12 per hour.
- (D) From January 1, 2021, to December 31, 2021, \$13 per hour.
- (E) From January 1, 2022, to December 31, 2022, \$14 per hour.
- (F) From January 1, 2023, and until adjusted by subdivision (c) \$15 per hour.

The minimum wage standard applies to each hour employees worked for which they were not paid. Therefore, employer's failure to pay for any particular hour worked by an employee is unlawful even if averaging an employee's total pay over all hours worked, paid or not, results in an average hourly wage above minimum wage.

As alleged throughout this Notice, due to the company-wide failures of EMPLOYERS, EMPLOYEE and other AGGRIEVED EMPLOYEES were forced to work off-the-clock, and/or during rest breaks, and/or during meal breaks. As a result, EMPLOYERS failed to pay EMPLOYEE and other AGGRIEVED EMPLOYEES minimum wage for this time and/or falsified timekeeping records to hide this fact.

Attached hereto as "Exhibit B" are examples of such violations.

Page one (1) of Exhibit A shows that EMPLOYERS records indicate that EMPLOYEE worked for *exactly* 47.50 hours for the pay period of February 28, 2021 through March 13, 2021. Such whole, round, and exact numbers do not result when EMPLOYERS are actively engaged in tracking the time that employee actually spent working for EMPLOYERS, but instead when EMPLOYERS are merely recording EMPLOYEE's scheduled hours of work.

As a result of this practice, EMPLOYEE was not paid for time they spent outside of their normally scheduled hours of work, including, but not limited to, work performed before their scheduled shift, after their scheduled shift, or during meal and/or rest breaks.

Because EMPLOYERS have failed to provide EMPLOYEE with all of the employment documents to which he is entitled by law, EMPLOYEE is unable to accurately ascertain the full extent of his damages, causing him further damage. Such behavior by EMPLOYERS is the exact type of behavior that the California Labor Code was inured to prevent.

Pursuant to the foregoing, EMPLOYERS violated California Labor Code sections 1182.12, 1194, 1197, and 1197.1. EMPLOYEE and other AGGRIEVED EMPLOYEES are entitled to civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 1197.1, and/or 2699(a), (f)-(g), and any and all other applicable law.

Violation of Labor Code 226(a), 1174(d), and 1198 (Accurate Employment Records)

California Labor Code 226(a) requires employers to create and provide to employees true and accurate employment records. California Labor Code section 226(e) provides that if an employer fails to furnish an employee with same, the employee is entitled to recover the greater

**HAIG B.
KAZANDJIAN**
LAWYERS | APC

of all actual damages, or \$50.00 for an initial infraction, and \$100 per employee for each subsequent violation in any pay period. California Labor Code 226.3 imposes civil penalties on any employer in violation of section 226(a) at \$250 per employee violation in an initial citation, and \$1,000 per employee for each subsequent violation.

California Labor Code 1174(d) requires employers to keep payroll records showing hours worked and wages paid to and/or number of piece-rate units earned for all employees. California Labor Code section 1174.5 subjects employers to a \$500 penalty for failing to maintain same.

California Labor Code section 1198 provides that maximum hours and standard conditions of labor are fixed by the Labor Commissioner in the applicable Wage Orders. Pursuant to the applicable Wage Order, employers must keep accurate records of when employees begin and end each work period and each meal period.

EMPLOYERS knowingly provided employees with records that do not meet the statutory requirements of truth and accuracy, because EMPLOYERS failed to truthfully and accurately document, among other things, employees off-the-clock work. As a result, EMPLOYERS failed to list the correct amount of gross and/or net wages earned by EMPLOYEE and the other AGGRIEVED EMPLOYEES.

The statements in question are deficient in many other ways, including, but not limited to: failure to list total hours worked, failing to list applicable hourly rates and the numbers of hours worked at each rate, failure to list the full legal name and address of the employer, and/or failure to state all hours worked as a result of off-the-clock work.

EMPLOYERS willfully failed to maintain accurate payroll records for EMPLOYEE and other AGGRIEVED EMPLOYEES as a result of EMPLOYERS failure to accurately record employees rest breaks, and/or meal breaks, and/or off-the-clock work. EMPLOYERS failure makes it impossible for EMPLOYEE and other AGGRIEVED EMPLOYEES to accurately determine the extent of their underpayment, thereby causing further injuries to each of them.

Pursuant to the foregoing, EMPLOYER is in violation of California Labor Code Sections 226(a), 1174(d), and 1198. EMPLOYEE and other AGGRIEVED EMPLOYEES are entitled to civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 226(e), 226.3, 1174.5, and/or 2699(a), (f)-(g), and any and all other applicable law.

Violation of California Code of Regulations 11050(5)(A) (Reporting Time)

California Code of Regulations, Title 8, section 11050(5)(A) provides that for each workday when an employee is required to and does in fact report to work, but is either not put to work or is furnished less than half of said employee's usual scheduled day's work, that employee should be paid for no less than half, and in no event less than two (2) hours, of the employees regular rate of pay.

HAIG B. KAZANDJIAN

LAWYERS | APC

EMPLOYEE and other AGGRIEVED EMPLOYEES were told by EMPLOYERS to report to work and were either not put to work or were furnished less than half of said employee's usual scheduled day's work. EMPLOYERS routinely failed to pay the required reporting time wages to EMPLOYEE and other AGGRIEVED EMPLOYEES for each of these instances.

Because EMPLOYERS have failed to provide EMPLOYEE with all of the employment documents to which he is entitled by law, EMPLOYEE is unable to accurately ascertain the full extent of his damages, causing him further damage. Such behavior by EMPLOYERS is the exact type of behavior that the California Labor Code was inured to prevent.

Pursuant to the foregoing, EMPLOYEE and other AGGRIEVED EMPLOYEES are entitled to civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 1197.1 and/or 2699(a), (f)-(g), and any and all other applicable law.

Violation of California Code of Regulations 11050(4)(C) (Split Shifts)

California Code of Regulations 11050(4)(C) provides that when an employee works a "split shift", one (1) hour's pay at the State or local minimum wage (whichever is greater) must be paid in addition to the minimum wage for that workday. A "split shift" is defined as a work schedule which is interrupted by non-paid, non-working periods established by the employer, other than *bona fide* rest or meal periods.

EMPLOYERS routinely scheduled EMPLOYEE and other AGGRIEVED EMPLOYEES for multiple different shifts throughout the same workday, separated by periods other than *bona fide* rest or meal breaks. EMPLOYERS failed to pay EMPLOYEE and other AGGRIEVED EMPLOYEES one (1) hour's pay at the applicable minimum wage, which resulted in EMPLOYEE and other AGGRIEVED EMPLOYEES being paid less than the applicable minimum wage for that day. As a further consequence, EMPLOYERS also failed to separately list "split shift" payments on EMPLOYEE and other AGGRIEVED EMPLOYEES wage statements.

Because EMPLOYERS have failed to provide EMPLOYEE with all of the employment documents to which he is entitled by law, EMPLOYEE is unable to accurately ascertain the full extent of his damages, causing him further damage. Such behavior by EMPLOYERS is the exact type of behavior that the California Labor Code was inured to prevent.

Pursuant to the foregoing, EMPLOYEE and other AGGRIEVED EMPLOYEES are entitled to civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 1197.1 and/or 2699(a), (f)-(g), and any and all other applicable law.

Violation of Labor Code 204 (All Wages Paid on Time)

California Labor Code section 204 requires that all wages earned, other than those due upon termination, be paid on time as defined by the statute.

**HAIG B.
KAZANDJIAN**
LAWYERS | APC

As a result of the numerous and company-wide failures of EMPLOYERS as described throughout this Notice, EMPLOYERS failed to pay EMPLOYEE and other AGGRIEVED EMPLOYEES all wages due to them, including, but not limited to: minimum wages, overtime wages, double time wages, split shift pay and/or reporting time pay within the statutorily required time period.

Pursuant to the foregoing, EMPLOYERS are in violation of California Labor Code Sections 204. EMPLOYEE and other AGGRIEVED EMPLOYEES are entitled to civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 203, 210 and/or 2699(a), (f)-(g), and any and all other applicable law.

Violation of Labor Code 201, 202, and 203 (Timely Payment Upon Discharge or Resignation)

California Labor Code sections 201, 202, and 203 provide that employees who are terminated are due all wages earned immediately. Employees who resign their employment without giving 72 hours' notice are due all wages earned within 72 hours of their resignation. Employees who resign their employment giving 72 hours' notice are entitled to all wages earned at the time their resignation becomes effective.

EMPLOYERS terminated their employment relationship with EMPLOYEE on or about March 9, 2021. Accordingly, EMPLOYEE was due all wages earned immediately.

When EMPLOYEE finally received EMPLOYEE's final paycheck on March 19, 2021, that final paycheck was legally deficient in that it did not account for all wages earned despite EMPLOYERS knowing that such wages were due to EMPLOYEE. Due to the company-wide failures of EMPLOYERS as described throughout this Notice, EMPLOYERS similarly failed to pay other AGGRIEVED EMPLOYEES timely wages upon their discharge or resignation pursuant to Labor Code sections 201, 202, and 203.

Attached as "Exhibit C" are examples of such violations.

Page one (1) of Exhibit C shows that EMPLOYERS records indicate that EMPLOYEE was terminated on March 9, 2021. Page two (2) of Exhibit B shows that EMPLOYERS records indicate that EMPLOYEE did not receive their final pay check until March 19, 2021.

Pursuant to the foregoing, EMPLOYERS are in violation of California Labor Code Sections 201, 202, and 203. EMPLOYEE and other AGGRIEVED EMPLOYEES are entitled to civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 201, 202, 203, and 2699(a), (f)-(g), and any and all other applicable law.

**HAIG B.
KAZANDJIAN**
LAWYERS | APC

Violation of Labor Code 2810.5(a)(1)(A)-(C) (Wage Theft Prevention Act)

Codified in California Labor Code section 2810.5, California's Wage Theft Protection Act requires employers to provide employees with basic information at the time of hiring and when changes occur to their employment.

The Wage Theft Protection Act provides that an employee must be furnished with written notice of, at the time of hiring; rate of pay (including overtime), whether paid by hour, salary, piece-rate, shift, day, week, commission, or otherwise, and allowances claimed such as meal or lodging. This notice must also include a statement that the employee can accrue and use sick leave, has the right to request and use paid sick leave, may not be terminated or retaliated against for requesting or using paid sick leave, and has the right to file a complaint against any employer who does so retaliate.

EMPLOYERS hired EMPLOYEE on or about December 9, 2019, and EMPLOYEE continued to work for EMPLOYERS until on or about March 9, 2021. During that time, changes, including, but not limited to, raises, promotions, title changes, relocations, and new and additional assignments were earned by and/or assigned to EMPLOYEE. As a result of each of these, changes occurred to EMPLOYEE's employment as defined by Labor Code 2810.5(a)(1)(A)-(C) and the Wage Theft Prevention Act.

When hired and each time such changes to EMPLOYEE and other AGGRIEVED EMPLOYEES' employment occurred, EMPLOYERS were required to furnish documents to EMPLOYEE with such basic information and written notice of, among other things, EMPLOYEE and other AGGRIEVED EMPLOYEES rate of pay (including overtime), their right to accrue and request paid sick leave, and their right to file a complaint against EMPLOYERS should they infringe upon such rights. EMPLOYERS failed to furnish EMPLOYEE and other AGGRIEVED EMPLOYEES with such written notices as required.

Pursuant to the foregoing, EMPLOYERS are in violation of California Labor Code Section 2810.5(a)(1)(A)-(C). EMPLOYEE and other AGGRIEVED EMPLOYEES are entitled to civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 2699(a), (f)-(g), and any and all other applicable law.

Violation of Labor Code 2800, 2802 (Reimbursement of Necessary Expenditures)

California Labor Code Sections 2800 and 2802 require that an employer indemnify employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of their duties.

EMPLOYEE and other AGGRIEVED EMPLOYEES were directed and expected to incur personal expenses on behalf of EMPLOYERS while performing their job duties. Such personal

**HAIG B.
KAZANDJIAN**
LAWYERS | APC

expenses include, but are not limited to: use of personal cell phone, travel expenses, and parking expenses.

EMPLOYEE and the other AGGRIEVED EMPLOYEES would not have been able to successfully accomplish their job duties absent incurring these personal expenses. EMPLOYERS failed to indemnify EMPLOYEE and other AGGRIEVED EMPLOYEES for all of their necessary expenditures or losses.

Pursuant to the foregoing, EMPLOYERS are in violation of California Labor Code Sections 2800 and 2802. EMPLOYEE and other AGGRIEVED EMPLOYEES are entitled to civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 2699(a), (f)-(g), and any and all other applicable law.

Violation of Labor Code 246 (Notice of Paid Sick Time and Accrual)

California Labor Code section 246 provides that an employee who works for the same employer for more than 30 days is entitled to paid sick days. Paid sick leave is to accrue at a rate not less than one (1) hour per every 30 hours worked, such accrual beginning at the commencement of employment. Employers must provide employees with written notice setting the amount of sick leave available (or paid time off in lieu thereof) for use on either itemized wage statements (as described in Labor Code section 226) or in a separate writing accompanying such wage statements.

EMPLOYEE was hired by EMPLOYERS on or about December 9, 2019 and worked for EMPLOYERS until on or about March 9, 2021. Accordingly, EMPLOYEE worked for EMPLOYERS for more than 30 days, triggering the protections of California Labor Code Section 246.

Nevertheless, EMPLOYER failed to furnish upon EMPLOYEE and other AGGRIEVED EMPLOYEES, either on itemized wage statements or in a separate writing accompanying such wage statements, the amount of sick leave available to EMPLOYEE and other AGGRIEVED EMPLOYEES.

As such, EMPLOYERS unlawfully retained and continue to retain paid sick leave that should have been paid to EMPLOYEE and the other AGGRIEVED EMPLOYEES, but for EMPLOYERS' failure to properly institute and/or adhere to a legally compliant paid sick leave program. EMPLOYEE is informed and believes, and based thereon alleges, that these practices were experienced and continue to be experienced by the other AGGRIEVED EMPLOYEES.

Pursuant to the foregoing, EMPLOYERS are in violation of California Labor Code Section 246. EMPLOYEE and other AGGRIEVED EMPLOYEES are entitled to civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 2699(a), (f)-(g), 248.5(e) and any and all other applicable law.

**HAIG B.
KAZANDJIAN**
LAWYERS | APC

California Labor Code 558(a) (Civil Penalties)

California Labor Code section 558(a) provides that any employer, including individuals acting on behalf of employers, that violates, or causes to be violated, a section of the Labor Code or any applicable Wage Orders are subject to the following penalties;

- \$50 for any initial violation for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover unpaid wages;
- \$100 for each subsequent violation for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount to recover unpaid wages;

Labor Code section 558.1 permits joint and several liability as to both an individual and an employer for violations of Labor Code sections 203, 226, 226.7, 1194, and 2802. Labor Code section 558(c) provides that the penalties in this section are in addition to any other civil penalty.

EMPLOYERS were and are an employer, and PETER RUPPERT, acting on behalf thereof, violated EMPLOYEE and other AGGRIEVED EMPLOYEES' rights by violating, or causing to be violated, the various sections of this code as described throughout this notice letter.

Conclusion

Pursuant to California Labor Code sections 2699(a), 2699.3(a), 2699.3(c), 2699.5, and 558, EMPLOYEE, acting in the public interest as Private Attorney General, seeks the applicable penalties for themselves, all other AGGRIEVED EMPLOYEES, and the State of California against EMPLOYERS for violations of Labor Code sections, including, but not limited to: 201, 202, 203, 204, 206, 226(a), 226.7, 246, 510, 512(a), 1174(d), 1174.5, 1182.12, 1194, 1197, 1197.1, 1198, 2802, and 2810.5, and any and all other applicable law.

If you have questions or require additional information, please do not hesitate to contact us. Thank you in advance for your attention to this matter.

Very truly yours,

Haig B. Kazandjian Lawyers, APC



Haig B. Kazandjian, Esq.
Cathy Gonzalez, Esq.
Kevin P. Crough, Esq.

EXHIBIT A

**HAIG B.
KAZANDJIAN**
LAWYERS | APC

March 24, 2021

VIA US CERTIFIED MAIL

Fusion Learning, Inc.
Agent for Service of Process
CSC Lawyers Incorporating Service
2710 Gateway Oaks Drive, Suite 150N
Sacramento, CA 95833

Re: Statutory Demand for Inspection and Copying of Employment Records

Dear Fusion Learning, Inc.,

I am writing on behalf of Kevin L Murphy (hereinafter "employee") with respect to his recent employment with your company. Pursuant to California Labor Code §§ 226, 432, and 1198.5, we are requesting that Fusion Learning, Inc. sends us copies of all of the following records relating to employee including:

- (1) Any instrument or document signed by employee relating to the obtaining and/or holding of his or her employment, (2) employee personnel file, (3) gross and net wages earned, pay stubs, wage statements, and time records, (4) the name of the employee and his or her social security number, except that by January 1, 2008, only the last four digits of his or her social security number or an employee identification member other than a social security number may be shown on the itemized statement, (5) the name and address of the legal entity that is the employer, (6) any and all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate, (7) any and all records relating to business-related expense reimbursements, (8) any and all records relating to employee's missed, late, or interrupted meal and/or rest breaks, (9) any and all records relating to overtime worked by employee, including overtime compensation received by employee, (10) any and all arbitration and/or employment agreements signed by employee, if any, (11) any and all settlement/release agreements, and non-compete agreements signed by employee, if any, (12) job description(s) and employee handbook(s), and (13) any and all other records that relate to employee's compensation, time worked/ scheduled, or other employment-related issues.

Additionally, pursuant to Labor Code § 1198.5, we request any and all records relating to employee's performance, including but not limited to: performance reviews, promotions, demotions, change of rate(s) of pay, change of job position(s) and/or job title(s), verbal or written warnings, reprimands, discipline or adverse actions.

Additionally, you are required to produce a complete copy of all Employee's records as required by Paragraph 7 of the applicable California Industrial Wage Order, including

801 N. BRAND BLVD. SUITE 970 | GLENDALE, CALIFORNIA 91203 | T (818) 696-2306 | F (818) 696-2307

**HAIG B.
KAZANDJIAN**

LAWYERS | APC

but not limited to time-sheets documenting all Employee's time in and time out records and pay stubs. Additionally, any agreements signed between you and the Employee including but not limited to an Agreement to Arbitrate.

Labor Code § 226 further provides that "an employer who receives a written or oral request to inspect or copy records...pertaining to a current or former employee shall comply with the request as soon as practicable, but no later than 21 calendar days from the date of the request." Failure to promptly comply with the above demand may result in a seven hundred fifty-dollar (\$750) penalty and may result in employee bringing an action for injunctive relief to ensure compliance, entitling them to an award of costs and reasonable attorney's fees.

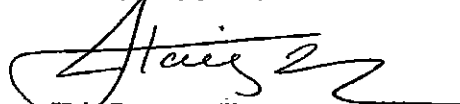
Employee also requests, pursuant to Labor Code § 1198.5, that they be allowed as soon as possible to inspect all records Fusion Learning, Inc. "maintain relating to the employee's performance or to any grievance concerning the employee..."

Please call me if you have any questions or concerns. I look forward to receiving the requested records at my office promptly so that I can advise employee.

Employee has also signed this request below and is authorizing and consenting to the release of the requested information to this office.

Thank you for your attention to this matter.

Very truly yours,



Haig B. Kazandjian, Esq.



Kevin L. Murphy

03 / 24 / 2021

DATE

EXHIBIT B

FUSION LEARNING INC
72 Monroe Center NW Ste B
Grand Rapids MI 49503-0000

KEVIN L MURPHY

PERSONAL AND CHECK INFORMATION

Kevin L Murphy

Employee ID: 102794

Home Department: 1051 PASADENA TEACHERS

Pay Period: 02/28/21 to 03/13/21

Check Date: 03/18/21 Check #: 1

NET PAY ALLOCATIONS

DESCRIPTION	THIS PERIOD (\$)	YTD (\$)
Check Amount	1059.77	1059.77
Chkg 247	0.00	6424.06
NET PAY	1059.77	7483.83

TIME OFF (Based on Policy Year)

DESCRIPTION	TOTAL BAL
Hourly Sick	43.09 hrs

EARNINGS

DESCRIPTION	HRS/UNITS	RATE	THIS PERIOD (\$)	YTD HOURS	YTD (\$)
Regular	47.50	27.0000	1282.50	267.06	7209.00
Planning Time				24.67	666.09
Student Absent +				2.00	54.00
Holiday				48.00	1296.00
Total Hours	47.50			341.67	
Gross Earnings			1282.50		9226.09
Total Hrs Worked	47.50				

WITHHOLDINGS

DESCRIPTION	FILING STATUS	THIS PERIOD (\$)	YTD (\$)
Social Security		79.52	571.96
Medicare		18.59	133.76
Fed Income Tax		82.28	677.30
CA Income Tax		26.95	247.54
CA Disability		15.39	110.70
TOTAL		222.73	1741.26

NET PAY

THIS PERIOD (\$)
1059.77

YTD (\$)
7483.83

Payrolls by Paychex, Inc.

0943 Y453-0892 FUSION LEARNING INC • 72 Monroe Center NW Ste B • Grand Rapids MI 49503-0000 • (606) 301-1221

FA032

EXHIBIT C



Notice to Employee as to Change in Relationship
(Termination Notice Pursuant to Provisions of
Section 1089 of the California Unemployment Insurance Code)

Name: KEVIN MURPHY

SSN xxx-xx-5512

Your employment status has changed effective **03/09/2021** for the reason checked below. If you apply for Unemployment insurance benefits, give a copy of this form to the Employment Development Department (EDD) at <https://www.edd.ca.gov/unemployment/>.

- ☐ Voluntary quit
- ☐ Layoff
- ☐ Leave of absence with a return to work date of
- ☐ Demotion - decrease in work hours and/or wages
- ☒ Discharge
- ☐ Refusal to accept available work
- ☐ Change in status from employee to independent contractor
- ☐ Left by mutual agreement

Comments:

Supervisor's Signature

Date

Fusion Learning, Inc.
c/o American Education Group
72 Monroe Center NW, Suite B
Grand Rapids, MI 49503
Telephone: 616-301-1221 ext. 404
Fusion Learning, Inc.'s Federal Employer ID Number: 26-3697600
Fusion's Unemployment Account #: 292-2634-7

Notice Acknowledgment

I received a copy of this notice on _____.

Signature

Date

Check Preview

Y453G892 - FUSION LEARNING INC

Murphy, Kevin L 102794

Check Date: 3/19/2021
Check 1 of 1
Net Pay Amount: \$1059.77

EARNINGS	Total: \$1282.50
-----------------	-------------------------

NAME	HOURS	RATE	AMOUNT	CALCULATED AMOUNT
Regular	47.5	27.00		1282.50

DEDUCTIONS	Total: \$0.00
-------------------	----------------------

WITHHOLDINGS	Total: \$222.73
---------------------	------------------------

NAME	CALCULATED AMOUNT
Federal Income Tax	82.28
Employee Social Security Tax	79.52
Employee Medicare Tax	18.59
California Income Tax	28.95
California Disability	15.39